ASX Announcement

Company Announcements Office
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(ASX Code GRK)

Green Rock acquires 50% interest in large frontier hydrocarbon exploration area in the southern Carnarvon Basin in WA

Highlights

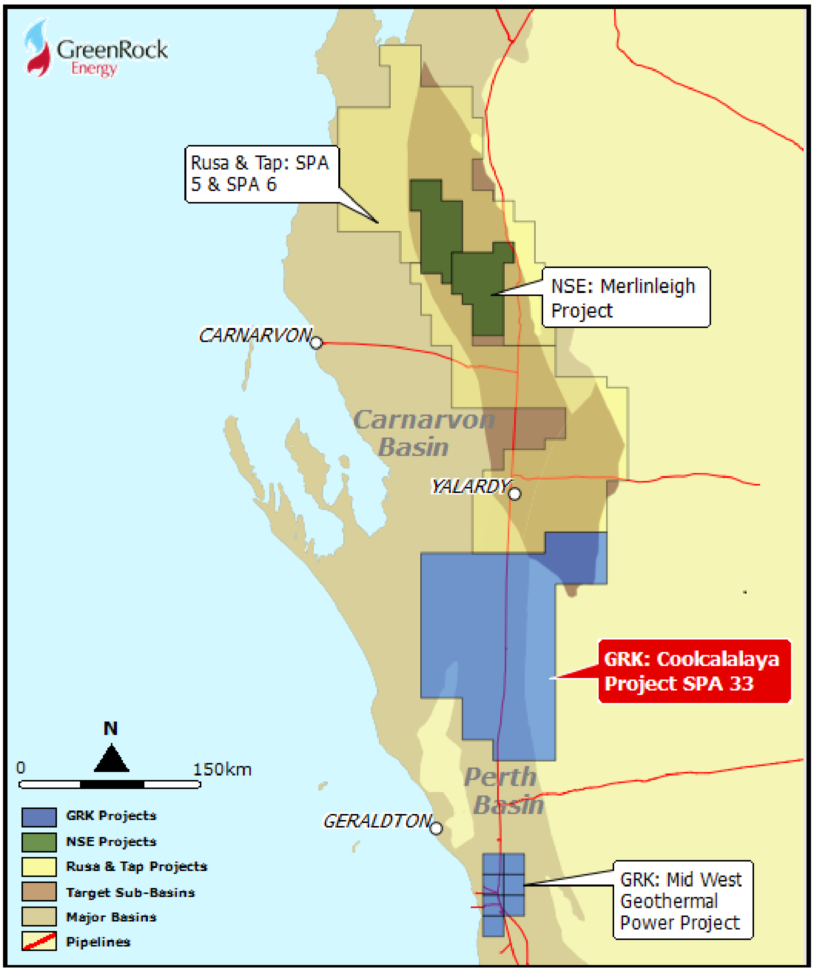
- Green Rock acquires 50% interest in large Special Prospecting Authority (SPA), covering approximately 19,500km^2 in the southern Carnarvon Basin
- Situated in between the proven hydrocarbon provinces of the Perth Basin and Carnarvon Basin
- Access to major gas infrastructure – Dampier to Bunbury pipeline runs through the SPA
- Permit adjoins an SPA granted to Rusa Resources in which Tap Oil Limited (ASX:TAP) announced an interest on 7 November 2012
- Potential for unconventional and conventional play and petroleum systems, including sediments equivalent to the Devonian formations found in the Canning Basin

Green Rock Energy Limited is pleased to announce the acquisition from Palatine Energy Pty Ltd of a 50% interest in SPA 33 (the Coolcalalaya Project), a large hydrocarbon exploration area located at the southern end of the prolific Carnarvon Basin in Western Australia. Palatine's application for SPA 33 (with acreage option) has been accepted and will be awarded to Palatine with conditions including approval of the gravity survey forming the SPA work program commitment and acceptance of key environmental conditions. Green Rock's strategic acquisition of an interest in SPA 33 complements the Company's existing portfolio as it increases its acreage in highly prospective hydrocarbon basins in Western Australia.

Coolcalalaya Project - SPA 33

The SPA 33 covers approximately 19,500km^2 and includes the Coolcalalaya Sub-basin and southern part of the Byro Sub-basin of the Carnarvon Basin. The area has been identified by gravity and magnetic data as part of a series of north-south oriented sub-basins that include the Merlinleigh and Byro Sub-basins. Regional correlations suggest the exploration area has significant potential for both unconventional and conventional hydrocarbons in the Devonian sediments equivalent to the Gnueda Formation in the Merlinleigh Sub-basin and Gascoyne Platform where excellent potential source rocks have been identified.

In addition, the Gogo and Virgin Hills Formations in the Canning Basin have been correlated with the oil accumulation at the Blina Field, adjacent to the Backreef Area which covers approximately 380km^2 and in which Green Rock has a 20% interest.



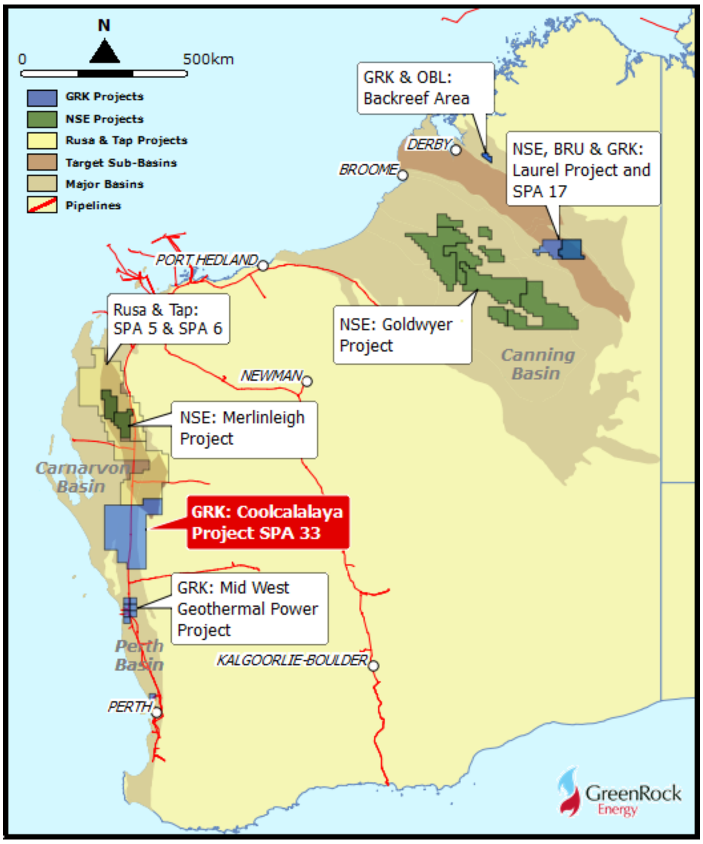
The Coolcalalaya Project location relative to selected other projects in the region

Potential is also present in the early Permian formations for unconventional gas and coal seam methane. This interval is equivalent to the zone recently tested successfully by Norwest Energy in the Perth Basin and is one of the primary objectives in the Merlinleigh Sub-basin where both New Standard Energy and Tap Oil hold interests.

The SPA 33 is favourably located close to existing infrastructure as the Dampier to Bunbury Natural Gas Pipeline runs directly through the permit area. The existing pipeline serves a large number of power generation, industrial, mining and domestic customers in Western Australia.

Next Steps

Green Rock and Palatine have executed a Letter of Agreement for Green Rock to farm in to SPA 33 for a 50% interest for a nominal upfront payment and covering 100% of the costs of the SPA work program estimated at $200,000. Palatine will be Operator of the SPA work program. On completion of the work program in 2013 Green Rock and Palatine expect to exercise the SPA acreage option and select up to 50% of the SPA area as a new Exploration Permit, for which Green Rock would be Operator.



Green Rock's interests in WA with selected other projects

Commenting on the acquisition, Green Rock Managing Director Richard Beresford said: "This farm-in is a key initiative in Green Rock's strategy to grow our hydrocarbon footprint in Western Australia through selective exploration and acquisition. The SPA 33 is a very early stage exploration permit, but contains the potential within the Devonian formation to host significant gas and oil resources. We are very much looking forward to continuing our hydrocarbon exploration over a larger and more comprehensive portfolio in Western Australia."

Nigel Hodder, Company Secretary

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About Green Rock Energy Limited

Listed on the ASX in 2005, Green Rock (GRK) is a geothermal and hydrocarbons explorer and developer with geothermal interests in Western Australia, South Australia and Hungary and hydrocarbons interests in Western Australia. Its key projects are:

- A 15% interest in EP417 in the Canning Basin with a right to earn up to 20% through a farm-in agreement with New Standard Energy (NSE) together with an Area of Mutual Interest Agreement for other potential opportunities including the Seven Lakes Special Prospecting Area awarded to NSE
- The beneficial right to a 20% JV interest in the Backreef Area in the Canning Basin operated by Oil Basins Limited (OBL)
- A 50% interest in SPA 33 (the Coolcalalaya Project) in the southern Carnarvon Basin in WA
- An alliance with leading Australian renewable power developer Pacific Hydro for conventional geothermal power generation in GRK's permits in the Mid West of WA and GRK's and Pacific Hydro's licences in the Great Artesian Basin in SA
- A joint venture with MOL in Hungary for geothermal power generation (GRK 50%)